

NEW SOUTH WALES.

BUSINESS STATISTICS - 24 March, 1941.

Greater employment and overtime work (due primarily to the expanding industrial war effort) and higher wages rates have led to a great increase in savings accounts and War Savings Certificates. Domestic trade is steady. Emergency stocks of household goods are being established. Building enterprise, apparently decreasing, is still considerable. Seasonal prospects remain generally favourable. A wartime market in the Middle East is of great value to the beef industry. American rearmament is increasing the demand for wool but otherwise lack of shipping is retarding exports.

C O N T E N T S.

PART

I Season: Rain in eastern half of State.Export Prices and
External Conditions:

Export prices slightly higher. New meat export restrictions. Beef exports to Middle East. Shipping position. Conditions in U.S.A. - Defence expenditure. Financial policy. Conditions in U.K. - National Service Bill. Unemployment. Cotton market being closed.

Currency
Relationships:

Sterling firm in New York. Realisation of British assets in U.S.A. and Canadian dollar balances.

Wool:

Wool received and appraised in Sydney. Wool trade in U.K. Big expansion of exports to U.S.A.

Wheat:

Slight reaction after rise of wheat prices in Chicago. Interim payment of relief grant to wheatgrowers in N.S.W. Local market quiet. Prices unchanged.

Butter:

Production declining seasonally. Cheese production unsatisfactory. Rationing of cheese in U.K.

Metals:

Tin strong on London market. Tin quota for 3rd and 4th Qrs. 1941. Tin statistics, 1940.

II Wholesale Trade:

Employment (N.S.W.) - February, 1941. Sales under Sales Tax Acts - Dec. and Year, 1940.

Retail Trade:

Employment (N.S.W.) - February, 1941. Activity in City shops - Jan. and Nov.-Jan., 1940-41. National Security (Emergency Stocks) Regulations.

Savings Banks:

Deposits and Open Accounts at Feb. 28, 1941. War Savings Certificates.

III Employment:

Persons employed (N.S.W.) - mid-February, 1941.

Manufacturing
Industries:

Employment (N.S.W.) - mid-February, 1941. 42 Large Factories - Sales, etc. January, 1941.

Gas & Electricity:

Index of Consumption (Sydney) - February, 1941.

Building Permits
(Metropolis)

Value and No. of Dwellings - February & Sept. Feb., 1940-41.

PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. Last week rainfall was substantial over most of the coastal, tablelands and western slopes divisions. There is an abundance of feed practically all over the State. Conditions have been favourable for cultivation preparatory to wheat sowing. The South Coast, parts of the Hunter Valley and the Western Riverina are in need of further rain.

EXPORT PRICES AND
EXTERNAL TRADE
CONDITIONS:

Prices of principal Australian export commodities - mostly fixed under contract with the British Government - continue at an average level about 25 per cent. higher than in 1938-39. In February, 1941 the index number (Commonwealth Bank) was 83 compared with 81 in Feb., 1940 and 66 in Feb., 1939. In 1940 the average was 82 per cent. above the 1927 average. A further restriction on exports of meat (on pork for which until recently an expanding market in the U.K. was expected) is new evidence of the shortage of shipping space to the U.K. However, soon beef shipments to the Middle East are expected to be at the rate of 90,000 tons a year, which will make the beef industry practically independent of the U.K. market under war conditions. A press report (24.3.41) indicates that about 50 merchant ships will be transferred to Britain under the "Lend or Lease" Act shortly and that construction for Britain of about 400 ships under the Act is to be undertaken.

The "New York Times" estimates that in the next two years \$35,000 m. will be spent in U.S.A. defence and in aid to Britain. Appropriations or authorisations already made total \$17,000 million. Defence saving bonds, which authorities hope will absorb surplus purchasing power and avoid inflation, are to be issued in the United States. It has been reported that if necessary the Government will take measures to ensure that stock market securities do not become a more attractive investment than Government bonds. Industrial share prices declined slightly in New York last week-end after steadying at an improved level during the past fortnight.

In the United Kingdom the Government is taking power under the National Service Bill to call up men for civilian defence. The scheme for industrial mobilisation, which applies to men over 40 and women over 19 years of age, is being developed. "Male unemployed throughout Britain are virtually nil - the latest figure of 190,000 represents mostly the old or unfit." Some 3,000 factories are expected to close within a month under the scheme to eliminate non-essential industrial activities.

The British Ministry of Supply is taking over the distribution of cotton as from March 31, 1941 when the Liverpool Cotton market will close. This leaves tin and rubber as the only major commodities with a free market.

Cheese is to be rationed in the United Kingdom.

INTERNATIONAL
CURRENCY
RELATIONS.

In the free New York market the rate of exchange between British and American currency has been without appreciable change (at about £4.03 to \$100) over the past seven months. The depreciation in exchange of sterling in terms of the U.S. dollar in respect of the immediate pre-war ratio amounts to about 14 per cent. but was as much as 30 per cent. in May, 1940.

The mobilisation of British dollar resources to meet obligations in the United States is proceeding. Last week the sale was effected of the holdings of Courtauld's Ltd. (\$125 million) in the American Viscose Corporation to a syndicate of United States investment bankers. For these the price will be 90 per cent. of the proceeds of a public issue shortly to be made in the United States; about \$40 m. was being paid on account immediately.

Following hard upon this transaction, to which the U.K. Treasury referred as "evidence of the determination of British Government to use every possible means of self-help" there are reports that British assets (more than \$60 m.) in the Brown, Williamson Tobacco Corporation will be the next to be dealt with. In London concern has been expressed that it should have been deemed necessary to sell British income-earning assets in U.S.A. while at the same time Canada's large pre-war dollar balances have been but slightly diminished.

PART I (Continued)

WOOL. The quantity of wool received in Sydney from July 1 to March 20, 1940-41 (1,121,149 bales) was about 5 per cent. less than in the corresponding period of 1939-40. To date 1,115,844 bales of wool have been appraised in Sydney. By the end of the season about 1,260,000 bales will have been dealt with. This will be about 135,000 bales below the number in 1939-40 but will exceed the quantity in any other recent year. Further catalogues of growers' wool are to be submitted on March 31, May 12 and June 18, 1941. Skin wool will be appraised at more frequent intervals.

Wool consumption in the United Kingdom is not as great as in the later months of last year. Mills relying on mainly civilian business are working short time but those supplying Government requirements are busy. Increased efforts are being made by the trade to expand exports. Wool tops in Bradford are about 75 per cent. above pre-war prices, largely due to increased costs of transport, insurance, handling and manufacture.

It is understood that to complete the strategic reserve in the United States some 645,000 bales of wool have yet to be shipped. The quantity sent the U.S. from Australia on commercial account (461,000 bales) greatly exceeds that of any other recent season. Exports of wool to the United States were:-

	<u>1934-35</u>	<u>1935-36</u>	<u>1936-37</u>	<u>1937-38</u>	<u>1938-39</u>	<u>1939-40</u>	<u>1940-41</u> (to March 14)
Bales.	19,736	90,126	263,805	16,522	76,533	49,816	616,000

WHEAT. In Chicago prices of May futures reached a recent high point of $88\frac{3}{4}$ cents a bushel on March 19 and a subsequent easing to $87\frac{1}{8}$ cents on March 22, 1941 was attributed to profit taking. The earlier rise was reported to be "associated with the strength of commodity trade generally, reflecting the war situation and the increased American aid to the Democracies." Parcels on the London Baltic Exchange were practically unchanged.

By arrangement with the British Government the United States is purchasing and sending to unoccupied France two shiploads of flour for distribution under Red Cross supervision.

From the grant of £320,000 allocated to New South Wales by the Commonwealth Government, interim payments on a sliding scale are to be made through the Rural Bank to wheat-growers who harvested less than 7 bushels of wheat an acre in 1940-41. Interim payments will amount to 2s.4d. an acre where crops failed altogether, and will be reduced progressively as the yield increases.

The local market showed more activity in the middle of last week but otherwise has been very quiet. The Wheat Board's price for bulk wheat for flour for local consumption is unchanged at 3s.11 $\frac{1}{4}$ d. a bushel, ex trucks, Sydney. For some time orders for export flour have been lacking and supplies of offals are decreasing. The wholesale price of flour (including tax) in Sydney remains at £12.13s. a ton.

PRICES OF WHEAT IN NEW SOUTH WALES.

	Seasons ended November.				February.		March, 22, 1941.
	Av. 1931-35.	1937.	1939.	1940.	1940.	1941.	
<u>Bulk Wheat.</u>	Shillings and pence per bushel.						
Ex trucks, Sydney	2 9 $\frac{1}{2}$	5 3	2 5	...	3 9 $\frac{1}{2}$ (b)	3 11 $\frac{1}{4}$ (b)	3 11 $\frac{1}{4}$ (b)
Equiv. ex farm at country siding(a)	2 2 $\frac{1}{2}$	4 3	1 9 $\frac{1}{2}$	(c)	(c)	(d)	(d)

(a) Exclusive of bounty. (b) Prices for sale for local consumption.

(c) Farmers have received about 2s.10d. (net) for 1939-40 bulk wheat.

(d) Not yet ascertainable. Initial advance gives about 2s.5d. (net) at country sidings.

Prices ex farm shown for 1938-39, 1939-40 and 1940-41 are not final.

/BUTTER

BUTTER. The seasonal peak in butter production in New South Wales has been passed and the output of the factories is declining slowly. Stocks of butter are being built up to obviate the necessity of imports from other states as usually occurs during winter months.

The South Coast, where most N.S.W. cheese is made is experiencing a dry spell and supplies of cheese can be accumulated only if good rains soon fall.

The local wholesale price of butter is 158s.8d. a cwt. (unchanged since June 8, 1938).

The British Ministry of Food has announced that shortly cheese is to be rationed in the United Kingdom, but the ration allowance has not been stated. The butter ration is 4 oz. in a total fats ration of 8 oz. a person a week.

The course of butter prices was as follows:-

PRICES OF BUTTER - SYDNEY - EXPORT AND LOCAL.

	Average - Seasons ended June.					March 22,
	1929-32	1933-36	1937-39	1939	1940	1941.
	Shillings (Australian) per cwt.					
Export Parity	135	88	122	123	137(a)	137(a)
Local Sales	173	134	150	159	159	159

(a) Agreed price for British purchase, 1939-40 and 1940-41.

METALS. The British Ministry of Supply maximum prices for copper, lead and spelter (delivered to buyer, duty paid) in London have been unchanged since early in December, 1939 at :-

	<u>Copper.</u> (Electrolytic)	<u>Lead.</u> (Soft, Foreign)	<u>Spelter.</u>
Per ton (Stg.)	£62.0.0	£25.0.0	£25.15.0

The International Tin Committee has fixed the production quota for tin for the third and fourth quarters of 1941 at 130 per cent. of standard tonnages. This quota allows producers to employ their full capacity and maintains the quota operating since July, 1940. In London tin has met a very strong market; over the past week the mean price moved up £stg.3.10s. a ton to £273.2s.6d. a ton, which is about £stg.15 a ton above the average price in the months October to January, 1941.

Production and consumption of tin expanded greatly in 1940. Figures of the International Tin Research and Development Council are as follow:-

<u>Tin.</u>		<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>Increase -</u> <u>1938 to 1940.</u>
World Production.	tons	149,700	184,300	236,600	58%
Deliveries in U.S.A. ϕ	"	50,660	71,896	115,497	126%
World Stocks (end of year)	"	49,400	50,407	60,982	23%
	x				

ϕ Including acquisition for emergency reserve stock. x Including smelters' stocks and carryover.

The price of silver in the open market has varied little from 1s.11½d.(stg.) per oz.during the past few months.

PRICE OF SILVER IN LONDON - (Sterling prices per standard ounce).

	<u>1939</u> <u>July</u>	<u>Nov.</u>	<u>1940.</u> <u>Jan.-June.</u>	<u>July-Dec.</u>	<u>1941.</u> <u>Jan.</u>	<u>Feb.</u>	<u>March 21,</u> <u>1941.</u>
Average	17d.	23.4d.	20.1d.	23.1d.	23.3d.	23.3d.	23.4d.

PART II FINANCE AND TRADE.

WHOLESALE TRADE. Sales of goods at wholesale (as recorded under the Sales Tax Acts) in December, 1940 decreased contra-seasonally probably due to advance buying preceding an increase in rate and widening of incidence of the Sales Tax as from Nov. 22, 1940 (see B.S. 1940/11C p.5). Sales in 1940 totalled £202.79 million; slightly more than in 1939 (£200.29 m.) and £9.82 m. more than in 1938. During the war period some forms of consumption have been curtailed to which Government purchases of increasing quantities of war goods has provided an offset. Having regard to the increase in prices and the stability of employment in wholesale trade throughout the war period, it appears that trading as a whole has undergone no important change.

WHOLESALE TRADE - NEW SOUTH WALES.

	Sales by Registered Traders.				Employed in Wholesale Firms with Ten or more Employees.		
	Decem-ber.	Calendar Year.	Increase over preceding year.		Dec.ø	Jan.	Feb.
	£million.	£million	Per cent.		Persons	Persons	Persons
1932	11.76	124.26	1.67	1932	(June, 1933 - 17,638)		
1937	17.17	191.83	18.52	1938	25,335	24,523	24,857
1938	17.00	192.97	0.58	1939	26,340	25,381	25,555
1939	18.32	200.29	3.29	1940	26,468	25,614	25,674
1940	17.03	202.79	1.25	1941	26,326	25,649	26,003

ø Preceding year.

RETAIL TRADE. Retail shops have been busy in recent months and apparently the weight of direct and indirect taxation has not, so far, produced any notable curtailment of consumer buying. This is perhaps attributable to the high level of employment coupled with the rising trend of wage-earners' incomes. Average weekly earnings of employees (over 400,000 in 1941) of all private employers in New South Wales with ten or more employees have maintained a steady increase and in February 1941 were £4.56 compared with £4.38 in Feb., 1940, £4.33 in Feb., 1939 and £3.97 in Feb., 1937.

Over the past two years the number of persons employed in retail trade has shown little other than seasonal change. Due to "sales" in city stores there was a seasonal increase from January to February, 1941. In comparison with a year earlier employment with retail firms with ten or more employees was much the same in total and geographical distribution. The details are :-

EMPLOYMENT IN RETAIL TRADE - NEW SOUTH WALES.

	Sydney.		Newcastle District.	Country Towns.	Total, N.S.W.
	City.	Suburbs.			
	Persons employed in firms with ten or more employees.				
February, 1938	36,658	4,063	2,444	8,754	51,919
1939	37,817	4,072	2,435	8,722	53,046
1940	38,500	3,986	2,582	8,534	53,602
1941	38,513	4,028	2,569	8,404	53,514

CITY SHOPS. The money value of sales in a group of large city shops was 13.2 per cent. greater in January, 1941 than in Jan., 1940. The increase compared with a year earlier tends to become greater:-

	<u>1940-41</u>		<u>Three months ended -</u>						
	<u>June.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	
Increase over same period of 1939-40 - per cent.	6.3	5.6	7.3	7.5	5.5	5.9	7.8	9.8	

/This.....

PART II (Continued)

This is probably the result of rising prices in which the increase in rate and wider application of the Sales Tax is a substantial new factor.

In Jan., 1941 compared with Jan., 1940 sales of all classes of merchandise were greater in value. The greater increases were in women's wear (19.4%) boots and shoes (18.9%) piece goods (16.6%) and men's and boys' wear (13.1%). Food and perishables (4.8%) showed the least increase. In these shops employees numbered 2 per cent. more and the amount of salaries and wages paid was 4.2 per cent. greater than in January, 1940.

Emergency Stores. To ensure provision of a constant reserve of about £6 million worth of emergency household supplies ready of access to all consumers throughout Australia the National Security (Emergency Supplies) Regulations have been made. All individual traders are to be registered and will be required to order and maintain three months' stock of prescribed goods such as matches, salt, soap, sugar, tea, tinned fruits, cheese, oatmeal, barley, jam, honey, candles, baking powder, biscuits, condensed and powdered milk and cream of tartar. The manufacturer or wholesaler will finance the carrying of these stocks and be responsible for the debts but is expected to be assisted by the State and Commonwealth Governments and to be able to obtain bank accommodation in meeting obligations under the scheme. Complementary State legislation is being enacted.

SAVINGS BANKS. The increase in small savings in recent months - about £7 million since July, 1940 - has been without precedent. It is the result of increased employment and higher incomes of wage earners combined with patriotic endeavour. Continuing the recent trend, deposits in savings banks increased by £563,000 during February, 1941 (a record increase for the month). Net purchases of War Savings Certificates probably exceeded those in recent months. The accumulation, since July last was:-

<u>1940-41.</u>		<u>Sept.</u>	<u>Qr.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Total -</u> <u>July-Feb.</u>
Savings Bank Deposits £000	1716			741	542	-226	688	563	4,024
War Savings Cert. x £000	1926			<u>305</u>	<u>225</u>	<u>199</u>	<u>176</u>	<u>250</u>	<u>3,055</u>
Total £000	3642			1046	767	- 27	864	813	7,079

x Purchases, less repayments. ø Approximation. Minus sign (-) denotes decrease.

During February, 1941 the number of open accounts in savings banks increased by 8,006 making a total increase since July 1, 1940 of 47,914. Comparative particulars of business in savings banks are appended:-

SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances.		Increase in Deposits.		Open Savings Accounts.	
	At Jan. 31.	At Feb. 28	In Jan.	In year ended Jan.	At Jan. 31	At Feb. 28.
	£000	£000	£000	£000	000	000
1937	79,740	79,838	98	647	1,209	1,218
1938	83,283	83,698	415	3,860	1,278	1,283
1939	86,824	86,591	(-) 233	2,893	1,334	1,342
1940	86,716	87,167	451	576	1,336	1,339
1941	85,572	86,135	563	(-) 1,032	1,353	1,361

Minus sign (-) denotes decrease.

PART III INDUSTRIES.

EMPLOYMENT. There were 895,845 persons employed in the middle week of February, 1941 - easily a record for February and only exceeded previously in the December seasonal peak of 1940. After remaining practically without change during 1938-39 employment has increased throughout the war period, mainly as a result of the rapidly developing war industries and heavy and increasing war expenditure. The growth in employment in factories (see succeeding note) has been outstanding. In all private employment there were 29,100 more persons than in February, 1940; Government employees increased by 8,200 (including workers in Government factories) and the downward course of employment by local Government authorities continued during the last twelve months. Changes were as follow:-

INCREASE IN PERSONS IN EMPLOYMENT IN NEW SOUTH WALES.

	In Private Employ.	In Govern- ment Employ.	In Local Govt. Employ.	In all Employ.	In All Factories.
Feb. 1937 to '38	41,307	6,900	3,479	51,686	15,200
" 1938 to '39	(-) 1,408	3,800	(-) 2,590	(-) 198	1,600
" 1939 to '40	23,216	4,100	(-) 1,464	25,852	12,800
" 1940 to '41	29,058	8,200	(-) 822	36,436	21,500

Minus sign (-) denotes decrease.

Between February 1940 and 1941 the number of adult males registered as unemployed at State Labour Exchanges was reduced by 20,428 to 25,987. Other of the employees added during that period were drawn from hitherto non-wage-earning classes. To secure adequate labour, particularly skilled labour for continued expansion of war industries is now the problem. There is little reserve of unemployed workers to draw upon and training of new entrants and transfer of workers from non-essential civilian activities will be necessary. As yet civilian industries show little movement. How far consumer demand may be affected by increased direct and indirect taxation is yet to appear.

The following comparative statement shows that from January to February 1941 the only movements of note were the continued increase in factory employment and a seasonal increase in employees in retail trade. In February, 1941 compared with a year earlier the increase in employment in factories was the outstanding movement. The increase under "personal services" was mainly in hospitals; employees in hospitals with ten or more employees increased by 489 in the twelve months ended Feb., 1941. Percentage comparisons in the final column indicate industrial expansion as the outstanding economic development of the past few years:-

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and Men in the Armed Forces not on Civil Paysheets).

Group.	Persons Employed in Middle Week of -						Increase, Feb., 1941 over -	
	Feb., 1937.	Feb., 1938.	Feb., 1939.	Feb., 1940.	Jan., 1941.	Feb., 1941.	Feb., 1940.	Feb., 1937
	000	000	000	000	000	000	per cent.	
All Employment	782.1	833.8	833.6	859.4	885.5	895.8	4.2	14.5
Private Employment	643.5	684.8	683.4	706.6	727.5	735.7	4.1	14.3
All Factories	211.1	226.3	227.9	240.7	258.2	262.2	8.8	24.2
<u>In Firms with Ten or More Employees.</u>								
Mines	18.6	21.0	21.3	21.0	20.6	20.9	-0.5	12.4
Retail Trade	49.5	51.9	53.0	53.6	52.0	53.5	-0.2	8.1
Wholesale Trade	24.3	24.9	25.6	25.7	25.6	26.0	1.2	7.0
Offices & Commerce	25.3	26.2	27.2	29.6	29.6	29.8	0.7	17.8
Ship & Rd. Transport	19.9	22.6	21.4	21.3	22.0	21.0	-1.4	5.5
Personal Services ϕ	27.2	28.4	29.4	30.1	30.8	30.9	2.7	13.6
Other Industries.	19.4	20.4	19.2	18.5	17.8	18.1	-2.2	-6.7

ϕ Includes hospitals, professions, amusements, hotels, etc. (-) Denotes decrease.

PART III (Continued)

MANUFACTURING INDUSTRY. There were 262,200 persons employed in factories in New South Wales in the middle week of February, 1941. This was 21,500 more than in February, 1940 and only 100 below the seasonal peak in December, 1940. The increase from January, to February, 1941 was 4,000. Employment in factories is now 45 per cent. above the average of the peak pre-depression year and since August, 1939 (the pre-war month) has increased by about 15 per cent. There is no indication of a slackening in the rate of increase:-

PERSONS EMPLOYED IN ALL FACTORIES IN NEW SOUTH WALES.

	Number (Thousands) Employed in Middle week of -							Increase in last -		
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Month	6 mths.	Year
								000	000	000
1937-38	219.3	221.1	224.0	226.1	228.1	222.3	226.3	4.0	7.0	15.2
1938-39	228.9	229.7	230.4	230.6	223.0	223.0	227.9	4.9	-1.0	1.6
1939-40 (a)	228.7	230.7	236.7	240.4	242.2	238.5	240.7	2.2	12.0	12.8
1940-41 (b)	247.9	250.3	253.7	256.7	262.3	258.2	262.2	4.0	14.3	21.5
Increase (a) to (b)	19.2	19.6	17.0	16.3	20.1	19.7	21.5	-	-	-

Figures for 1940-41 subject to revision.

This rapid increase is due almost entirely to the development of war industries and of civil industries producing war needs. Particulars of employment in privately owned factories with ten or more employees show a total increase during the war period of 28,284 employees. Of this increase, 24,608 occurred in industrial metals (17,814) chemicals, etc. (1,530) textiles (3,387) clothing (639) skins and leather (796) and rubber (422). An increase over the same period of 3,016 in employees in the larger food and drink factories was partly due to seasonal influences, but is also due in part to wartime necessities. The number of employees in certain secondary industries and percentage changes over the last twelve months are given in the appended table:-

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of -	Cement, Bricks, Glass &c.	Chemicals.	Industrial Metals.	Textiles & Clothing.	Food and Drink.	Wood-work &c.	Paper & Printing.	Rubber.
	Number of persons employed - Thousands.							
February, 1936	8.22	5.53	44.77	32.94	23.50	8.24	12.04	2.79
August, 1939	11.50	7.24	61.76	36.96	27.96	9.89	14.81	3.68
February, 1940	11.83	8.22	66.04	39.15	29.57	9.82	15.06	3.90
January, 1941	12.67	8.66	77.60	40.76	30.01	9.89	14.15	3.76
February, 1941.	12.74	8.76	79.59	40.99	30.97	10.18	14.29	4.10
Increase - Feb., 1940 to '41. %	7.7	6.6	20.5	4.7	4.7	3.4	-5.1	5.1

Minus sign (-) denotes decrease.

In forty-two large factories products sold in January, 1941 were 7.9 per cent. greater in value than in Jan., 1940. Sales in 1940 were 10 per cent. greater than in 1939. In these factories the average number of persons employed in January, 1941 was 9.4 per cent. greater and salaries and wages paid to them amounted to 12 per cent. more than in January, 1940. The greater increase in wage etc. payments is due to higher rates of wages and overtime working.

Building permits include many new factory premises, some large armament factories are now coming into production, the aero-engine factory at Lidcombe will soon be operating, and a large shipbuilding programme is to be undertaken. The expansion of the secondary industries is likely to continue.

PART III (Continued)

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

All Factories.		Fortytwo Large Factories.					
Employment.		Calendar Year.			Month of January.		
February.		(Monthly Averages)					
Number.	Index Number.	Sales.	Employees.	Wages Paid Weekly.	Sales.	Employees.	Wages Paid Weekly.
1928-29 =		£000	000	£000	£000	000	£000
180,756	100						
1932 141,000 ø	78 ø	2,070	14.7	53.7	1,822	13.7	49.7
1937 211,100	117	3,081	22.6	88.2	2,616	21.2	78.6
1938 226,300	125	3,155	23.5	96.0	2,761	23.2	89.1
1939 227,900	126	3,262	23.2	96.9	2,738	23.1	95.0
1940 240,700	133	3,591	24.3	105.6	3,212	23.5	100.4
1941 262,200	145	3,465	25.7	112.4

ø February, 1933.

GAS AND ELECTRICITY. Sales of gas and electricity in Sydney and Suburbs in February 1941 were 42 per cent, above the average in Feb., 1929-31 and the greatest yet recorded for any single month. There were increases of 5.2 per cent. in comparison with Feb., 1940, and of about 13½ per cent. in the last two years in comparison with about 9 per cent. in the preceding two years. The recent rapid increase in consumption of gas and electricity is related to the growth of war industries. Factors in the general upward trend of post-depression years are increasing population, wider reticulation of services and more general use of modern power and lighting in industrial/commercial premises and in homes, supplementing that due to normal industrial growth. Index numbers illustrating the trend are:-

INDEX OF CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.

	<u>1929.</u>	<u>1932.</u>	<u>1937.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
Index numbers - Average 1929-31 = 100.						
February	105	95	115	125	136	142
Calendar Year	105	96	119	131	135	-

BUILDING PERMITS - METROPOLIS.

NOTE: Building permits do not include Government buildings.

Private building shows signs of further decline though permits in Feb. were slightly greater than in Feb., 1940. Private and public building together in Jan. and Feb. were below those of mid-1940 or prior to the war. The low level of city building persists. House and factory building is active but proposals for shops, flats and "other" buildings tend to decrease.

There is diminished provision for new housing; dwellings proposed in Jan. and Feb. were 1329 this year, 1140 last year, 1454 in 1939 and 1530 in 1938.

Permits for private buildings granted in Sydney and Suburbs in February, 1941 were of a value of £804,000 compared with £755,000 in Feb., 1940 and £999,000 in Feb., 1939. Inferences as to current trends in building are difficult to make because of permits obtained in November and December to forestall the necessity of securing official sanction (which was required after Dec. 5, 1941) for projects exceeding £5,000 in value. However, in the eight months ended February the total this year was 13 per cent. less than in 1938-39. Monthly totals compare with those of one and two years ago as follow:-

/July.....

PART III (Continued)

	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>July-Feb.</u>
Value of Permits Granted - £000.									
1938-39	1,741	1,202	1,110	933	1,325	937	864	999	9,111
1939-40	1,522	1,209	800	1,205	797	602	699	755	7,589
1940-41	1,048	956	840	833	1,284	1,454	696	804	7,915

Private building recovered appreciably from initial war reactions (Sept.-March, 1939-40) in the middle months last year but excepting Nov. and Dec., 1940 when circumstances were exceptional, a declining tendency has since been apparent. There has been a good deal of building on Government (State, Federal and allied authorities) account, much of it due to the war, but the combined totals for Government contracts and private permits show that the value of buildings to be erected is considerably below the levels in the middle months of last year and immediately prior to the war:-

	<u>1939</u> <u>Sept.Qr.</u>	<u>1940</u> <u>June Qr.</u>	<u>Sept.Qr.</u>	<u>Dec.Qr.</u>	<u>1941</u> <u>Jan.</u>	<u>Feb.</u>
Private Buildings £000	3,531	2,979	2,844	3,571	696	804
Public " "	487	245	318	258	324	66
Total	4,018	3,224	3,162	3,829	1,020	870

The special impetus in Nov. and Dec., 1940 cloaks a persistent decline in building enterprise in the city, and contributed to the apparent increase in recent months in proposals in the suburbs. Details of value of permits are:-

	City Permits (£000)						Suburban Permits (£000)					
	1936.	1937.	1938.	1939.	1940.	1941.	1936.	1937.	1938.	1939.	1940.	1941.
February	558	54	131	108	74	74	1125	571	899	999	755	730
Six months ended Feb.	1313	903	1147	1297	688	784	3129	3725	4934	4870	4169	5127

A relatively high level of housebuilding has been maintained. Continuing development of war industries and enterprises to produce goods formerly imported has called for the erection of much factory premises. Flat building is considerable - proposals for these was a feature of the pre-building-control rush for permits - but with that exception, below the average in 1939 or 1940, and there is also diminished activity in the erection of shops and "other" buildings (hospitals churches, theatres, etc.) As building generally was very depressed in initial reactions in the first six months of the war, comparisons of permit values in recent months are more illuminating if made with those in corresponding months of 1938-39. They are as follow:-

	Houses.		Flats etc.		Shops, etc.		Factories, etc.		Other Bldgs. ϕ	
	1938-39	'40-41	'38-39	'40-41	'38-39	'40-41	'38-39	'40-41	'38-39	'40-41.
Value of Permits - Thousands of Pounds.										
Sept.	477	439	377	168	80	30	74	86	98	117
Oct.	438	452	231	194	35	21	46	79	183	87
Nov.	491	504	146	228	64	76	111	218	513	258
Dec.	374	369	254	669	25	21	68	156	215	239
Jan.	395	459	148	140	22	16	210	41	89	40
Feb.	449	433	209	196	49	31	90	71	202	73
Total Six months	2,624	2,656	1,365	1,595	275	195	599	651	1,300	814

ϕ Including Hotels as well as Churches, Theatres, Hospitals, etc.

PART III (Continued)

Factors affecting building prospects include increased costs of building, difficulty of building societies in arranging finance for new operations, the need for new factory and storage space due to the war, increased wage-earners' incomes, the attraction of real estate as an investment, official control of investment and building, and State plans to foster housebuilding.

The following statement illustrates trends in building activity since 1927:-

VALUE OF PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

Including new buildings, alterations etc. Excluding Government buildings.

Period.	Houses.		Flats. (a)	Hotels.	Shops (b)	Factor- ies.(c)	Other Build- ings.	Total.
	Brick, &c.	Wood & Fibro.						
	£000	£000	£000	£000	£000	£000	£000	£000
Year, 1937 ø	312	47	188	27	62	114	188	938
1938 ø	408	76	283	70	48	82	203	1170
1939 ø	373	76	232	44	43	111	139	1018
1940 ø	391	74	224	51	31	98	107	976
Jan.-Feb. 1939	700	144	357	92	70	312	188	1863
1940	701	85	239	60	70	116	183	1454
1941	801	91	336	15	47	112	98	1500
February, 1939	368	81	209	65	49	101	126	999
" 1940	396	48	144	35	27	66	39	755
" 1941	391	42	196	10	31	71	63	804

ø Monthly average. Including (a) conversion to flats (b) shops with dwellings and (c) public garages.

DWELLINGS. Net additional dwellings of all kinds proposed in February, 1941 numbered 704, compared with 652 in Feb., 1940, 811 in Feb., 1939 and 842 in Feb., 1938. The number of houses included (403) was (excepting Dec., 1940) the lowest for several months and was 24 and 15 per cent. below the monthly average in 1938 and 1940, respectively. In the six months ended February, 1941 there were 4,890 dwelling units included in permits - less than in the corresponding period of 1937-38 or 1938-39 notwithstanding exceptional proposals for flats (1,005) in December, 1940.

Monthly data show a declining trend in the provision of new housing:-

	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>July-Feb.</u>
	Number of net additional dwellings proposed.								
1938-39	1264	1212	1185	812	744	782	643	811	7,453
1939-40	1223	1051	569	775	686	426	488	652	5,870
1940-41	748	820	676	729	810	1346	625	704	6,458

The following statement gives details of the number and kinds of dwellings proposed in the six months ended February of the last five years. It indicates maintenance of brick houses at the best post-depression level, but an appreciable falling-off in wooden and fibro houses since 1939. The very high total for flats is due to the incidental circumstances noted previously, without which the number in 1940-41 would have decreased markedly in comparison with either 1939 or 1938:-

PART III (Continued)

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - METROPOLIS.

Type of Dwelling.	Six Months ended February.					Movement 1939 to 1941.
	1937.	1938.	1939.	1940.	1941.	
	Number of Dwelling Units.					Per cent.
Houses - Brick, etc.	1,525	2,029	2,051	1,797	2,058	+ .3
- Wood, Fibro, etc.	454	673	826	585	501	- 39.3
Total-Houses	1,979	2,702	2,877	2,382	2,559	- 11.1
Flats - In new buildings	1,599	2,079	1,944	1,110	2,299	+ 18.3
- In converted "	260	243	169	152	59	- 65.1
With Shops, Hotels, etc.	95	81	129	84	57	- 65.8
Total - Flats, etc.	1,954	2,403	2,242	1,346	2,415	+ 7.7
Grand Total	3,933	5,105	5,119	3,728	4,974	- 2.8
Less Demolitions & Conversions	183	189	142	132	84	- 40.9
Net Additional Dwellings	3,750	4,916	4,977	3,596	4,890	- 1.7

After rising to a post-depression peak in 1938 the number of dwellings proposed fell back to the 1929 level in 1939 and 1940. In the first two months of this year the number was at the rate of 7,974 a year, compared with 11,853 in 1938 and 9,854 in 1929.